INVENTORY AND EVALUATION OF AGRICULTURAL OUTLOOK IN CANADA

ECONOMIC WORKING PAPERS

DOCUMENTS DE TRAVAIL ÉCONOMIQUES

INVENTORY AND EVALUATION OF AGRICULTURAL OUTLOOK IN CANADA

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Preface

The Expert Committee on Market and Trade of Canadian Agricultural Services Co-ordinating Committee (CASCC) requested that a federal-provincial-university-industry committee be established to look at the issue of cooperative development and use of forecasting models. The committee membership included: Bruce Huff, Agriculture Canada (Chairman), Larry Martin, University of Guelph, Gary Storey, University of Saskatchewan, Ronald Carré, Quebec Department of Agriculture, David Walker, Alberta Agriculture, William Johnson, (replaced by Craig Lee) Manitoba Department of Agriculture, Robert Broeska, Canola Crushers of Western Canada and Maurice Kraut, Chairman, Expert Committee on Marketing and Trade (ex. officio).

At an early meeting of this committee, it was decided that a survey of commodity analysts was necessary to ascertain the extent of the problem and what was the situation in Canada. The paper reports on the results of that survey.

The questionnaire was developed by the committee and distributed in the spring of 1982.

Results of the survey will be presented to CASCC.

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1.0 Introduction

In 1981, the Canada Expert Committee on Agricultural Marketing and Trade recommended that Agriculture Canada develop recommendations to improve the shared development of agricultural forecasting models. This recommendation arose from the perception that while considerable investment in developing forecasting models for outlook and policy analysis has been undertaken in Canada, these efforts have been ad hoc. Furthermore, there was a concern that model builders and model users were not interacting sufficiently to make maximum use of models for applications once they were developed.

As a result of this recommendation, a committee made up of personnel from the federal and provincial governments, universities and the private sector was named in 1982 to prepare the recommendations. As part of its mandate this committee made a decision to take an inventory of current agricultural outlook efforts in Canada and to obtain an evaluation of those efforts. These tasks were undertaken through a survey of commodity market analysts throughout the nation.

This report is intended to provide an analysis and summary of the responses to the questionnaire. The survey was sent to over 300 individuals and agencies representing the two levels of government, universities, marketing agencies, agribusiness firms and farm organizations. The objectives of the survey and a description of the respondents are discussed in the remainder of this section. Sections 2.0 - 4.0 address specific aspects of the survey response. The final section contains a summary and conclusions.

1.1 Objectives of the Survey

The survey was made up of three components. In the first, the general objective was to inventory outlook activities which are currently underway in Canada. Specifically, the objectives were to determine:

a. what forecasting is currently being carried out in Canada

b. what approaches are employed to make forecasts

c. what use is being made of data bases and retrieval systems.

The second component had the objective of evaluating the adequacy of current commodity outlook information. Specifically, adequacy of short, intermediate and long term outlook was evaluated for five commodity groups: grains and oilseeds; red meats; dairy; poultry and eggs and horticultural products. A second objective was to determine the sources of inadequacy among: the accuracy of forecasts; explanation of the assumptions upon which forecasts are based; and the delivery mechanisms.

The third component had three objectives:

a. to determine future plans for expansion of outlook

b. to determine future plans for expansion of data bases

c. to determine the constraints to expansion of outlook.

1.2 Survey Respondents

As indicated earlier, over 300 questionnaires were administered by mail. Respondents were selected from a list of potential market analysts provided by the committee. The original mailing was followed up by two additional mailings to non-respondents. In total, this resulted in 179 responses which were distributed as indicated in Table 1.1.

Non-useable returns include those returned blank or illegible.

Table 1.1: Distribution of Survey Responses by Region and Type of Organization

	East	West	Non-Useable	Total for Organization
Federal Government	15	1		16
Provincial Government	14	9		23
University	7	9		16
Marketing Agency	8	12		20
Agribusiness Firm	45	21		66
Farm Organization	8	6	—	14
Sub-Total	97	58	24	155
Total			179	

Because of the disparity in the number of responses between regions and among organizations, percentages are used throughout the report to facilitate comparison.

2.0 Current Forecasting Practices in Canada

This section is concerned with current forecasting practices in Canada. In some cases, people who answered "no" to the first question (Table 2.1) continued to respond to the remaining questions. These people are considered in the column titled "no+" throughout all of section 2.0

2.1 Responses from the Total Sample

2.1.1 Forecasting Currently Carried out in Canada

A majority of the respondents who answered the questionnaire engage in agricultural commodity forecasting (Table 2.1). Of these, most develop forecasts for internal use, and almost half for external use. From the third question in Table 2.1 it was noted that the largest group of recipients of external publications are producers, with consumers the smallest.

Most of the respondents who engage in forecasting subscribe to government or commercial market analysis services.

2.1.2 Method of Analysis and Forecasting

This segment attempted to determine which approaches are being employed to make forecasts, and what data are used. Fewer than half of those who engage in forecasting employ commodity market analysts. Of these, almost all responded that their analysts were specialized by commodity area. Most hired analysts specialized in grains and oilseeds, or red meats (Table 2.2).

The most frequently used method of market analysis and forecasting

Table 2.1: Forecasting Currently Carried Out in Canada

	Yes	%	No+	No
1) Does your organization engage in agricultural commodity forecasting?	84	54 a/	26	42
2) Does your organization develop forecasts for agricultural commodities for:				
- internal use	75	89 b/	11	
- external use	39	46 b/	2	
3) Who receives your publications?				
- producers	37	95 c/	2	
- processors/input suppliers	28	72	2	
- wholesalers/retailers	20	51	2	
- government	29	74	2	
- marketing agencies	25	64	2	
- consumers	13	33	2	
4) Does your organization subscribe to government or commercial market analysis services?	48	57	9	

a/ Percentage of all respondents.
b/ Percentage of those who engage in forecasting.
c/ Percentage of those who forecast for external use.

Table 2.2: Commodity Market Analysts Employed in Canada

	Yes	%	No+	No
1) Does your organization employ commodity market analysts?	34	40 a/	3	54
2) Are the analysts specialized by commodity area?	33	97 b/	3	
areas: a) grains and oilseeds	22	67	2	
b) red meats	17	52	0	
c) dairy	10	30	1	
d) poultry and eggs	10	30	0	
e) horticulture	7	21	0	
f) other	15	45	1	

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who employ analysts.

is simple trend analysis, with balance sheet a close second (Table 2.3). A majority developed the techniques themselves; very few had the techniques developed under contract with an outside firm or agency.

More organizations tend to make use of or subscribe to a major computer data bank rather than maintain a computer data base themselves (Table 2.4). Overall, however, the majority do neither.

2.2 East/West Responses

Responses from the two regions are summarized below.

2.2.1 Forecasting Currently Carried out in Canada

Only 4% more of the eastern respondents engage in agricultural commodity forecasting than do western respondents, and this represents a small majority for both east and west (Table 2.5).

In some instances the differences in the results between east and west are substantial. In both regions more respondents developed forecasts for internal use than for external use. At the same time, a greater percentage developed forecasts for internal use in the east than in the west and vice versa for external use.

In the east and west the top three recipients of external publications are the same, but they follow a different sequence. In the east they are (listed in decreasing order) producers, government, and processors/input suppliers, while in the west they are producers, processors/input suppliers, and government. Perhaps this is because there were three times the number of government (provincial and federal) responses from the east than from the west. Consumers are the smallest group of recipients of external publications in both regions.

Table 2.3: Canadian Approaches to Market Analysis

	Approaches to Market Analysis			Techniques Developed By Own Staff			Techniques Developed Outside Agency			Techniques Used By Other Agencies		
	Yes	%	No+	Yes	%	No+	Yes	%	No+	Yes	%	No+
#2,3,4: initial questions				31		4	7		1	5		1
#4 : don't know										10		6
Approaches												
- econometric models	20	24[a]	2	11	55[b]	2	4	20[b]		4	20[b]	
- time series	16	19	1	8	50	1	0	0		0	0	
- simple trend analysis	43	51	8	19	44	2	1	2		3	7	
- balance sheet	39	46	4	16	41	1	1	3		4	10	
- technical analysis of futures markets	18	21	5	3	17	1	0	0	1	2	11	
- informal	30	36	8	12	40	4	0	0		2	7	
- other	3	4	3	3	100	1	1	67	1	0	0	1

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use this approach.

Table 2.4: Canadian Use of Data Base and Retrieval Systems

	Yes	%	No+	No
1) Does your organization maintain a computer data base for market analysis purposes?	21	25[a]	3	63
2) Does your organization make use of or subscribe to a major computer data bank?	28	33	5	
data banks: a) CANSIM	23	82[b]	2	
b) AG DATA	10	36	3	
c) FARMBANK	6	21		
d) Data Resources	5	18	1	
e) Chase Econometrics	3	11		
f) Other	9	32	1	

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use or subscribe to a computer databank.

Table 2.5: Forecasting Currently Carried Out By East and West

	East				West			
	Yes	%	No+	No	Yes	%	No+	No
1) Does your organization engage in agricultural commodity forecasting?	54	56 a/	16	27	30	52 a/	10	15
2) Does your organization develop forecasts for agricultural commodities?								
- internal use	49	91 b/	5		26	87 b/	6	
- external use	22	41	2		17	57	0	
3) Who receives your publications?								
- producers	21	95 c/	2		16	94 c/	0	
- processors/input suppliers	15	68	2		13	76	0	
- wholesalers/retailers	12	55	2		8	47	0	
- government	17	77	2		12	71	0	
- marketing agencies	14	64	2		11	65	0	
- consumers	8	36	2		5	29	0	
4) Does your organization subscribe to government or commercial market analysis services?	36	67 b/	2		12	40 b/	7	

a/ Percentage of all respondents.
b/ Percentage of those who engage in forecasting.
c/ Percentage of those who forecast for external use.

Table 2.6: Commodity Market Analysts Employed by Eastern and Western Canada

	East				West			
	Yes	%	No+	No	Yes	%	No+	No
1) Does your organization employ commodity market analysts?	19	35 a/	3	32	15	50 a/	1	14
2) Are the analysts specialized by commodity area?	16	84 b/	3		15	100 b/	1	
areas: a) grains and oilseeds	9	56	1		14	93	1	
b) red meats	6	38			11	73		
c) dairy	7	44	1		3	20		
d) poultry and eggs	6	38			4	27		
e) horticulture	3	19			4	27		
f) other	5	31	1		10	67		

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who employ analysts.

The differences were quite substantial for the fourth question. While two-thirds of eastern respondents subscribe to government or commercial market analysis services, only 40% of western respondents do.

2.2.2 Method of Analysis and Forecasting

Western respondents make considerably more use of commodity market analysts (Table 2.6). There is also a marked difference in their areas of specialization. In the west the analysts are concentrated most heavily in grains and oilseeds and in red meats; in the east grains and oilseeds, and dairy are the leading commodities, but the distribution is more uniform across commodities. Simple trend and balance sheet analysis are the most widely used approaches to forecasting in both regions (Table 2.7). The two are well ahead of the other methods in both regions. They are also the two methods most often developed by the firms' own employees.

A larger proportion of western organizations maintain computer data bases than in the east (Table 2.8). Yet fewer of the western respondents make use of or subscribe to a major computer data bank than do eastern respondents.

The common factor is that CANSIM is the data bank used most often, but AGDATA is much more widely used in the West.

Responses by type of organization are summarized below.

2.3 Federal Government Responses

2.3.1 Forecasting Currently Carried out in Canada

A majority of the respondents engage in agricultural commodity forecasting, mostly for internal use (Table 2.9). The government is the

Table 2.7: Eastern and Western Approaches to Market Analysis

	Approaches to Market Analysis						Techniques Developed By Own Staff						Techniques Developed Outside Agency						Techniques Used by Other Agencies					
	East			West			East			West			East			West			East			West		
	Yes	%	No+	Yes	%	No+	Yes	%	No+	Yes	%	No+	Yes	%	No+	Yes	%	No+	Yes	%	No+	Yes	%	No+
#2,3,4: initial questions							19		3	12		1	6		0	1		1	4		6	3		1
#4 : don't know																			6		6	3		0
Approaches																								
- econometric models	15	28[a]	1	5	17	1	7	47	1	4	80	1	3	20		1	20		4	27				
- time series	9	17		7	23	1	5	56		3	43	1	0	0										
- simple trend analysis	28	52	5	15	50	3	12	43	1	7	47	1	1	4					2	7		1	7	
- balance sheet	24	44	2	15	50	2	10	42		6	40	1	1	4					4	17				
- technical analysis of futures markets	12	22	4	6	20	1	3	25		0	0	1	1	8				1	1	8		1	17	
- informal	20	37	5	10	33	3	7	35	3	5	50	1	0	0					1	5		1	10	
- other	3	6	2	0	0	1	3	100		0	0	1	2	67								0		1

[a] Percentage of those engaged in forecasting.

Table 2.8: Eastern and Western Use of Data Base and Retrieval System

	East				West			
	Yes	%	No+	No	Yes	%	No+	No
1) Does your organization maintain a computer data base for market analysis purposes?	10	19[a]	2	44	11	37	1	21
2) Does your organization make use of or subscribe to a major computer data bank?	19	35	2	32	9	30	3	17
data banks: a) CANSIM	16	84	1		7	78	1	
b) AGDATA	4	21			6	67	3	
c) FARMBANK	6	32			0	0		
d) Data Resources	3	16	1		2	22		
e) Chase Econometrics	3	16			0	0		
f) Other	5	26			4	44	1	

a/ Percentage of those engaged in forecasting.

Table 2.9: Forecasting Currently Carried Out By the Federal Government

	Yes	%	No+	No
1) Does your organization engage in agricultural commodity forecasting?	13	81[a]	1	2
2) Does your organization develop forecasts for agricultural commodites?				
- internal use	13	100[b]		
- external use	8	62		
3) Who receives your publications?				
- producers	7	88[c]		
- processors/input suppliers	7	88		
- wholesalers/retailers	7	88		
- government	8	100		
- marketing agencies	7	88		
- consumers	6	75		
4) Does your organization subscribe to government or commercial market analysis services?	6	46[b]		

a/ Percentage of all respondents.
b/ Percentage of those who engage in forecasting.
c/ Percentage of those who forecast for external use.

biggest recipient of its own publications, but every sector listed receives a large proportion, including consumers, who are the smallest recipients at 75%. Less than half the respondents subscribe to government or commercial market analysis services.

2.3.2 Method of Analysis and Forecasting

From Tables 2.9 and 2.10 it is clear that the responses of the federal government vary widely from those of the total population questioned. It was observed in Table 2.1 and 2.2 that a slight majority of all respondents engaged in agricultural commodity forecasting, and, of these, a minority developed forecasts for external use. A minority employed commodity market analysts, while a large majority subscribed to government or commercial market analysis services. Each of these observations is precisely the opposite with the federal respondents.

As in the aggregate responses, simple trend and balance sheet analysis are used heavily by federal analysts (Table 2.11). However, it should be noted that econometric models are used as much as balance sheets by the federal government. In the previous analysis of the general population this was not the case. Roughly half of those who apply these methods actually developed them themselves, yet only one responded that the techniques were developed for them under an outside contract.

A larger proportion of federal agencies make use of or subscribe to a major computer data bank than maintain one (Table 2.12). Of those subscribing to data banks, CANSIM was ahead of all the other data banks by at least 50% in terms of its use.

Table 2.10: Commodity Market Analysts Employed by the Federal Government

	Yes	%	No+	No
1) Does your organization employ commodity market analysts?	11	85 a/		2
2) Are the analysts specialized by commodity area?	9	82 b/		
areas: a) grains and oilseeds	5	56		
b) red meats	3	33		
c) dairy	2	22		
d) poultry and eggs	4	44		
e) horticulture	3	33		
f) other	5	56		

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who employ analysts.

Table 2.11: Federal Government Approaches to Market Analysis

	Approaches to Market Analysis			Techniques Developed By Own Staff			Techniques Developed Outside Agency			Techniques Used By Other Agencies		
	Yes	%	No+	Yes	%	No+	Yes	%	No+	Yes	%	No+
#2,3,4: initial questions				8			1			1		
#4 : don't know										1		
Approaches												
- econometric models	8	62 a/		4	50 b/		1	13 b/		1	13 b/	
- time series	6	46		3	50							
- simple trend analysis	9	69		4	44					1	11	
- balance sheet	8	62		4	50					1	13	
- technical analysis of futures markets	2	15		1	50							
- informal	8	62		3	38							
- other	3	23		2	67							

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use this approach.

Table 2.12: Federal Government Use of Data Base and Retrieval Systems

	Yes	%	No+	No
1) Does your organization maintain a computer data base for market analysis purposes?	4	31 a/		6
2) Does your organization make use of or subscribe to a major computer data bank?	8	62		3
data banks: a) CANSIM	7	88 b/		
b) AGDATA	2	25		
c) FARMBANK	3	38		
d) Data Resources	3	38		
e) Chase Econometrics	3	38		
f) Other	2	25		

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use or subscribe to a computer databank.

Table 2.13: Forecasting Currently Carried Out by Provincial Governments

	Yes	%	No+	No
1) Does your organization engage in agricultural commodity forecasting?	13	57 a/	4	3
2) Does your organization develop forecasts for agricultural commodities?				
- internal use	11	85 b/	1	
- external use	7	54	1	
3) Who receives your publications?				
- producers	7	100 c/	1	
- processors/input suppliers	6	86	1	
- wholesalers/retailers	5	71	1	
- government	7	100	1	
- marketing agencies	6	86	1	
- consumers	4	57	1	
4) Does your organization subscribe to government or commercial market analysis services?	8	62 b/	1	

a/ Percentage of all respondents.
b/ Percentage of those who engage in forecasting.
c/ Percentage of those who forecast for external use.

2.4 Provincial Government Respondents

2.4.1 Forecasting Currently Carried out in Canada

Only a slight majority of provincial respondents engage in agricultural commodity forecasting (Table 2.13). Most of these develop forecasts for both internal and external use; still more develop forecasts for internal than external. Producers and the government are the most frequent recipients of the provincial governments' publications, with consumers the smallest; overall the provincial governments do subscribe to government or commercial market analysis services.

2.4.2 Method of Analysis and Forecasting

The provincial governments tend to follow the aggregate regarding commodity analysts more closely than does the federal government (Table 2.14). A minority employ commodity market analysts; many of the analysts employed are specialized by commodity area, mainly red meats and grains and oilseeds.

It is interesting to note that while the federal government makes extensive use of econometric models, the provincial governments do not use them at all (Table 2.15). Instead, they concentrate mostly on simple trend and balance sheet analyses as approaches to undertaking market analysis and forecasting. Although few responded that they (or their own staff) developed the techniques themselves, no one claimed the techniques were developed for their firm or agency under an outside contract, or that these approaches were used by others to provide their firm with market analysis services.

As with the federal government, half as many provincial

Table 2.14: Commodity Market Analysts Employed by Provincial Government

		Yes	%	No+	No
1)	Does your organization employ commodity market analysts?	6	46[a/]	0	6
2)	Are the analysts specialized by commodity area?	5	83[b/]		
areas:	a) gains and oilseeds	4	80		
	b) red meats	5	100		
	c) dairy	3	60		
	d) poultry and eggs	3	60		
	e) horticulture	3	60		
	f) other	2	40		

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who employ analysts.

Table 2.15: Provincial Government Approaches to Market Analysis

	Approaches to Market Analysis			Techniques Developed By Own Staff			Techniques Developed Outside Agency			Techniques Used By Other Agencies		
	Yes	%	No+	Yes	%	No+	Yes	%	No+	Yes	%	No+
#2,3,4: initial questions				4		2	0		12			
#4 : don't know										1		3
Approaches												
- econometric models	0	0[a/]	1	0	0[b/]	1						
- time series	2	15	0	0	0							
- simple trend analysis	8	62	1	2	25	1						
- balance sheet	8	62	1	2	25							
- technical analysis of futures markets	3	23	1	0	0	2						
- informal	5	38	2	4	80							
- other	1	8	1	0	0							

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use this approach.

respondents maintain a computer data base for market analysis purposes than those that make use of or subscribe to a major computer data bank (Table 2.16). The data bank most often used by the provincial governments is CANSIM, followed by AGDATA, then Data Resources. FARMBANK and Chase Econometrics are not used at all.

2.5 University Respondents

2.5.1 Forecasting Currently Carried out in Canada

In universities a minority engage in agricultural commodity forecasting; almost all who do, develop forecasts for internal and external use (Table 2.17). There are not many publications, and the only recipients are producers, government, and marketing agencies, with producers receiving the most. Almost all subscribe to government or commercial market analysis services, as well.

2.5.2 Method of Analysis and Forecasting

Half of those who engage in forecasting employ commodity market analysts. Two-thirds of these hire analysts specialized by commodity area - all for grains and oilseeds and red meats, and half for dairy (Table 2.18).

Balance sheet is the most commonly used method of analysis, followed by informal approaches to undertaking market analysis and forecasting (Table 2.19). Simple trend analysis, and econometric models are also used, but not to the same extent. Time series and technical analysis of futures markets are used even less. Approximately half of those who used each approach developed the techniques on their own. Some said these

Table 2.16: Provincial Government Use of Data Base and Retrieval Systems

	Yes	%	No+	No
1) Does your organization maintain a computer data base for market analysis purposes?	4	31[a]	1	8
2) Does your organization make use of or subscribe to a major computer data bank?	8	62	1	4
data banks: a) CANSIM	8	100[b]	1	
b) AGDATA	5	63		
c) FARMBANK	0	0		
d) Data Resources	1	13		
e) Chase Econometrics	0	0		
f) Other	2	25		

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use or subscribe to a computer databank.

Table 2.17: Forecasting Currently Carried out by Universities

	Yes	%	No+	No
1) Does your organization engage in agricultural commodity forecasting?	6	38[a]	4	6
2) Does your organization develop forecasts for agricultural commodities?				
- internal use	5	83[b]	2	
- external use	4	67[b]		
3) Who receives your publications?				
- producers	2	50[c]		
- processors/input suppliers				
- wholesalers/retailers				
- government	1	25		
- marketing agencies	1	25		
- consumers				
4) Does your organization subscribe to government or commercial market analysis services?	5	83	1	

a/ Percentage of all respondents.
b/ Percentage of those who engage in forecasting.
c/ Percentage of those who forecast for external use.

Table 2.18: Commodity Market Analysts Employed by Universities

	Yes	%	No+	No
1) Does your organization employ commodity market analysts?	3	50 a/		5
2) Are the analysts specialized by commodity area?	2	67 b/		
areas: a) grains and oilseeds	2	100		
b) red meats	2	100		
c) dairy	1	50		
d) poultry and eggs	0			
e) horticulture	0			
f) other	0			

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who employ analysts.

Table 2.19: University Approaches to Market Analysis

	Approaches to Market Analysis			Techniques Developed By Own Staff			Techniques Developed Outside Agency			Techniques Used By Other Agencies		
	Yes	%	No+	Yes	%	No+	Yes	%	No+	Yes	%	No+
#2,3,4: initial questions				4		1	1			1		
#4: don't know										0		1
Approaches												
- econometric models	2	33 a/	1	1	50 b/	1				1	50 b/	
- time series	1	17	1	1	100	1						
- simple trend analysis	2	33	2	1	50	1						
- balance sheet	4	67	1	2	50	1				1	25	
- technical analysis of futures markets	1	17	1	0	0	1				1	100	
- informal	3	50	1	0	0	1				1	33	
- other	1	17		1	100		1	100				

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use this approach.

techniques were used by other individuals/agencies to provide them with market analysis services.

Fewer university respondents maintain a computer data base than make use of or subscribe to a major computer data bank (Table 2.20).

2.6 Marketing Agency Respondents

2.6.1 Forecasting Currently Carried out in Canada

All marketing agencies which engage in agricultural commodity forecasting develop forecasts for internal use while half develop forecasts for external use (Table 2.21). Of those which develop forecasts for external use, all send publications to producers, processors and input suppliers, and governments. Consumers receive none of their publications. Most marketing agencies engaging in forecasting subscribe to government or commercial market analysis services.

2.6.2 Method of Analysis and Forecasting

Very few marketing agencies employ commodity market analysts; all the analysts employed are specialized by commodity area. The areas of specialization are grains and oilseeds, red meats, and poultry and eggs.

Simple trend analysis and informal approaches are the two leading methods of market analysis and forecasting (Table 2.23). Marketing agencies use balance sheet and econometric models less, and time series and technical analysis of futures markets hardly at all. Sometimes the techniques were developed by the agencies themselves; none had an outside firm or agency develop them for them.

While a small majority of marketing agencies maintain a computer

Table 2.20: University Use of Data Base and Retrieval Systems

	Yes	%	No+	No
1) Does your organization maintain a computer data base for market anaysis purposes?	2	33 a/	1	6
2) Does your organization make use of or subscribe to a major computer data bank?	3	50	2	6
data banks: a) CANSIM	2	67 b/	1	
b) AGDATA	0		2	
c) FARMBANK	1	33		
d) Data Resources				
e) Chase Econometrics				
f) Other	1	33		

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use or subscribe to a computer databank.

Table 2.21: Forecasting Currently Carried Out by Marketing Agencies

	Yes	%	No+	No
1) Does your organization engage in agricultural commodity forecasting?	11	55 a/	2	6
2) Does your organization develop forecasts for agricultural commodities?				
- internal use	11	100 b/		
- external use	5	45 b/		
3) Who receives your publications?				
- producers	5	100 c/		
- processors/input suppliers	5	100		
- wholesalers/retailers	1	20		
- government	5	100		
- marketing agencies	4	80		
- consumers				
4) Does your organization subscribe to government or commercial market analysis services?	6	55	1	

a/ Percentage of all respondents.
b/ Percentage of those who engage in forecasting.
c/ Percentage of those who forecast for external use.

Table 2.22: Commodity Market Analysts Employed by Marketing Agencies

	Yes	%	No+	No
1) Does your organization employ commodity market analysts?	3	27 a/	1	
2) Are the analysts specialized by commodity area?	3	100 b/	1	
areas: a) grains and oilseeds	1	33		
b) red meats	1	33		
c) dairy				
d) poultry and eggs	1	33		
e) horticulture				
f) other			1	

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who employ analysts.

Table 2.23: Marketing Agency Approaches to Market Analysis

	Approaches to Market Analysis			Techniques Developed By Own Staff			Techniques Developed Outside Agency			Techniques Used by Other Agencies		
	Yes	%	No+	Yes	%	No+	Yes	%	No+	Yes	%	No+
#2,3,4: initial questions				3		0	0		0	0		0
#4 : don't know										1		
Approaches												
- econometric models	2	18 a/		2	100 b/							
- time series	1	9										
- simple trend analysis	4	36	1	2	50							
- balance sheet	2	18	1	1	50							
- technical analysis of futures markets	1	9	1									
- informal	3	27	1	1	33							
- other			1									

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use this approach.

data base for market analysis purposes, only 9% make use of or subscribe to a major computer data bank (Table 2.24). The data banks subscribed to are CANSIM and FARMBANK.

2.7 Agribusiness

2.7.1 Forecasting Currently Carried out in Canada

A slight majority of agribusinesses engage in agricultural commodity forecasting, mostly for internal use (Table 2.25). The few who develop forecasts for external use distribute most of their publications to producers, followed by processors and input suppliers, then wholesalers and retailers.

2.7.2 Method of Analysis and Forecasting

Most businesses do not employ commodity market analysts (Table 2.26). All who do, employ analysts specialized by commodity area, with the area of specialization required by most businesses being grains and oilseeds. Less than one third employ analysts in each of red meats, dairy, and poultry and eggs.

The most popular approaches to undertaking market analysis and forecasting in agribusiness are simple trend analysis and balance sheet (Table 2.27). All other approaches mentioned are also used. For the first three approaches most businesses indicated that they developed the techniques themselves; not many businesses who applied the last three methods did so. Few businesses had the techniques developed for them under outside contract for any of the approaches.

Three times as many businesses make use of or subscribe to a

Table 2.24: Marketing Agency Use of Data Base and Retrieval System

	Yes	%	No+	No
1) Does your organization maintain a computer data base for market analysis purposes?	6	55 a/		5
2) Does your organization make use of or subscribe to a major computer data bank?	1	9	1	
data banks: a) CANSIM	1	100 b/	1	
b) AGDATA				
c) FARMBANK	1	100		
d) Data Resources				
e) Chase Econometrics				
f) Other				

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use or subscribe to a computer databank.

Table 2.25: Forecasting Currently Carried Out by Agribusinesses

	Yes	%	No+	No
1) Does your organization engage in agricultural commodity forecasting?	34	52 a/	13	19
2) Does your organization develop forecasts for agricultural commodities?				
- internal use	27	79 b/	8	
- external use	10	29 b/	1	
3) Who receives your publications?				
- producers	8	80 c/	1	
- processors/input suppliers	6	60	1	
- wholesalers/retailers	5	50	1	
- government	3	30	1	
- marketing agencies	4	40	1	
- consumers	2	20	1	
4) Does your organization subscribe to government or commercial market analysis services?	19	56	5	

a/ Percentage of all respondents.
b/ Percentage of those who engage in forecasting.
c/ Percentage of those who forecast for external use.

Table 2.26: Commodity Market Analysts Employed by Agribusinesses

	Yes	%	No+	No
1) Does your organization employ commodity market analysts?	10	29 a/	2	27
2) Are the analysts specialized by commodity area?	10	100 b/	2	6
areas: a) grains and oilseeds	8	80	2	
b) red meats	2	20		
c) dairy	3	30	1	
d) poultry and eggs	1	10		
e) horticulture				
f) other	7	70		

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who employ analysts.

Table 2.27: Agribusiness Approaches to Market Analysis

	Approaches to Market Analysis			Techniques Developed By Own Staff			Techniques Developed Outside Agency			Techniques Used By Other Agencies		
	Yes	%	No+	Yes	%	No+	Yes	%	No+	Yes	%	No+
#2,3,4: initial questions				8		3	4		0	3		
#4 : don't know										2		6
Approaches												
- econometric models	5	15 a/	1	3	60 b/	1	2	40 b/		1	20 b/	
- time series	5	15		4	80							
- simple trend analysis	13	38	5	7	54	1	1	8		2	15	
- balance sheet	11	32	2	5	45		1	9		1	9	
- technical analysis of futures markets	7	21	4	1	14					1	14	
- informal	7	21	5	2	29	3				1	14	
- other			2			1						

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use this approach.

major computer data bank than maintain a computer data base themselves; yet even those who use the data banks represent a small minority of agribusinesses (Table 2.28).

2.8 Farm Organizations

2.8.1 Forecasting Currently Carried out in Canada

A majority of farm organizations engage in agricultural commodity forecasting; all of them develop forecasts for internal use, and many for external use as well (Table 2.29). All who develop forecasts for external use distribute publications to producers; consumers receive hardly any.

2.8.2 Method of Analysis and Forecasting

Half the farm organizations which provide forecasts employ commodity market analysts (Table 2.30). All the employers use analysts specialized by commodity area, especially for red meats.

As with most other organizations, farm organizations prefer the simple trend and balance sheet approaches to undertaking market analysis and forecasting (Table 2.31). All the other approaches are used by some, but considerably fewer. The information concerning questions 2 to 4 of Table 2.31 is rather sketchy, and difficult to analyze.

Few farm organizations maintain or subscribe to computer data banks (Table 2.32).

Table 2.28: Agribusiness Use of Data Base and Retrieval System

	Yes	%	No+	No
1) Does your organization maintain a computer data base for market analysis purposes?	3	9 a/	1	30
2) Does your organization make use of or subscribe to a major computer data bank?	9	26	2	
databanks: a) CANSIM	2	22 b/		
b) AGDATA	2	22	1	
c) FARMBANK	1	11		
d) Data Resources	1	11	1	
e) Chase Econometrics	0	0		
f) Other	4	44	1	

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use or subscribe to a computer databank.

Table 2.29: Forecasting Currently Carried Out by Farm Organizations

	Yes	%	No+	No
1) Does your organization engage in agricultural commodity forecasting?	8	57 a/	2	4
2) Does your organization develop forecasts for agricultural commodities?				
- internal use	8	100 b/		
- external use	6	75 b/		
3) Who receives your publications?				
- producers	6	100 c/		
- processors/input suppliers	4	67		
- wholesalers/retailers	2	33		
- government	3	50		
- marketing agencies	3	50		
- consumers	1	17		
4) Does your organization subscribe to government or commercial market analysis services?	4	50	1	

a/ Percentage of all respondents.
b/ Percentage of those who engage in forecasting.
c/ Percentage of those who forecast for external use.

Table 2.30: Commodity Market Analysts Employed by Farm Organizations

	Yes	%	No
1) Does your organization employ commodity market analysts?	4	50[a/]	4
2) Are the analysts specialized by commodity area?	4	100[b/]	
areas: a) grains and oilseeds	2	50	
b) red meats	4	100	
c) dairy	1	25	
d) poultry and eggs	1	25	
e) horticulture	1	25	
f) other	0	0	

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who employ analysts.

Table 2.31: Farm Organizations Approaches to Market Analysis

	Approaches to Market Analysis		Techniques Developed By Own Staff		Techniques Developed Outside Agency		Techniques Used By Other Agencies	
	Yes	%	Yes	%	Yes	%	Yes	%
#2,3,4: initial questions			2		2		1	
#4 : don't know							1	
Approaches								
- econometric models	2	25[a/]			1	50[b/]	1	50[b/]
- time series	1	17						
- simple trend analysis	6	75	2	33				
- balance sheet	5	63	2	40			1	20
- technical analysis of futures markets	2	25	1	50	1	50		
- informal	3	38	2	67				
- other	0							

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use this approach.

Table 2.32: Farm Organization Use of Data Base and Retrieval Systems

		Yes	%	No
1)	Does your organization maintain a computer data base for market analysis purposes?	2	25[a/]	6
2)	Does your organization make use of or subscribe to a major computer data bank?	4	50	4
	data banks: a) CANSIM	2	50[b/]	
	b) AGDATA	1	25	
	c) FARMBANK			
	d) Data Resources			
	e) Chase Econometrics			
	f) Other			

a/ Percentage of those who engage in forecasting.
b/ Percentage of those who use or subscribe to a computer databank.

3.0 Evaluation of Current Outlook Work

This section reports on respondents' evaluation of current outlook work in Canada. For each major commodity group respondents were asked to evaluate short, intermediate and long term outlook, to indicate major areas of weakness and to indicate what user groups are most affected by poor outlook information.

Short term outlook refers to the current quarter, intermediate term to the period from the end of the current quarter until the end of the current year and long term to forecasts of events beyond the current year. For each of several variables, respondents were asked to rate outlook information on a three point scale where: 1 means "adequate"; 2 means "needs improvement"; and 3 means "poor".

In summarizing results of the adequacy ratings, they are presented for all respondents, by region of the country and by major types of respondents. Responses are summarized by first presenting the number of respondents in each category, then the average rating and the percentage of respondents who marked a 2 or 3. The closer the average is to 1, the more favourably outlook information is evaluated and vice versa. The percentage who marked 2 or 3 provides additional information on respondents' evaluation.

Respondents who felt that outlook was inadequate were also asked to indicate where they felt the greatest weakness to be. Three possible sources of weakness were included in the questionnaire. The first was the accuracy of forecasts. The second was the assumptions or logic used to develop forecasts. The third was the system used to deliver outlook information to users. Responses on these sources of inadequacy are

summarized by indicating the proportion of respondents who marked each potential source.

The remainder of this section contains the evaluation analysis presented by major commodity group.

3.1 Grains and Oilseeds

Adequacy ratings for all respondents (Table 3.1) provide several inferences for grain and oilseed outlook. First, short term outlook is held in higher regard than either intermediate or long term as evidenced by both the average ratings as well as the percentage who marked either 2 or 3.

Despite this, a second inference is that grain and oilseed outlook is not highly regarded. More than 50 percent of respondents selected a rating of 2 or 3 for all categories.

Third, respondents generally give the most favourable ratings to outlook for grain carryover and Canadian Wheat Board delivery quotas and the least favourable to export demand, prices and production.

Fourth, among individual groups of respondents (Table 3.2) there were some major differences in evaluation. Respondents from the federal government, universities and agribusiness firms tended to be more critical of short and intermediate term outlook than the average. Conversely, respondents from provincial governments, marketing agencies and farm organizations were less critical of short term outlook.

Regarding individual variables, several inferences are apparent. There was substantial consistency in the rating of short term outlook for export demand - all groups except farm organizations indicated this was

Table 3.1: Adequacy of Outlook for Grains and Oilseeds - All Respondents

$	#	Average Rating	Percent 2 or 3
Short Term			
Prices	88	1.76	64
Production	83	1.75	63
Carryover	80	1.64	54
CWB Quota	63	1.59	46
Export Demand	72	1.88	65
Total	386	1.73	59
Intermediate Term			
Prices	85	1.89	69
Production	83	1.87	69
Carryover	77	1.75	60
CWB Quota	61	1.90	62
Export Demand	73	2.00	73
Cash Receipts	53	1.92	72
Total	432	1.89	67
Long Term			
Prices	73	2.44	90
Production	74	2.36	89
Carryover	64	2.17	86
Export Demand	63	2.25	86
Cash Receipts	57	2.32	80
Total	331	2.31	88

Table 3.2: Adequacy of Outlook for Grains and Oilseeds by Type of Respondent

	East			West			Federal			Provincial			Universities			Mktg. Agencies			Agribusiness			Farm Org'n.		
	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3
Short Term																								
Prices	56	1.68	59	32	1.91	72	10	2.00	70	18	1.44	44	7	2.14	86	7	1.43	43	40	1.80	68	6	2.19	83
Production	53	1.72	60	30	1.80	67	10	1.80	60	17	1.59	47	7	2.00	100	6	1.50	50	38	1.82	68	5	1.60	40
Carryover	49	1.67	57	31	1.61	48	10	1.80	60	17	1.24	18	7	1.71	71	7	1.29	29	35	1.86	71	4	1.50	50
CWB Quota	34	1.56	47	29	1.28	45	7	1.57	43	10	1.40	30	6	1.33	33	7	1.14	14	31	1.81	61	2	1.50	50
Export Demand	43	1.91	63	29	1.86	69	9	2.22	78	13	1.77	54	7	2.00	71	7	1.71	57	33	1.94	70	4	1.50	50
Total	235	1.71	58	151	1.76	60	46	1.91	65	75	1.48	39	34	1.85	74	34	1.41	38	177	1.84	68	21	1.67	57
Intermediate Term																								
Prices	50	1.90	70	35	1.89	69	9	2.11	78	15	1.60	47	13	1.77	62	5	1.60	60	37	2.00	78	6	2.17	83
Production	49	1.94	75	34	1.76	59	9	1.89	67	16	1.75	56	12	1.75	58	5	2.00	80	36	1.94	78	5	1.80	60
Carryover	45	1.80	67	32	1.69	50	9	1.89	67	16	1.63	44	12	1.75	50	5	1.60	60	31	1.81	68	4	1.75	75
CWB Quota	30	1.70	53	31	2.10	71	7	1.57	43	10	1.90	50	12	2.08	67	5	1.60	60	25	2.00	72	2	1.50	50
Export Demand	40	2.13	78	33	1.85	67	8	2.50	100	13	1.92	62	12	2.00	67	5	2.00	80	31	1.97	74	4	1.50	50
Cash Receipts	27	1.85	67	26	2.00	77	5	2.00	80	11	2.00	73	7	2.29	100	4	2.25	100	23	1.78	61	4	1.50	50
Total	241	1.90	69	191	1.89	65	47	2.00	72	81	1.78	54	68	1.91	65	29	1.83	72	183	1.92	73	25	1.76	64
Long Term																								
Prices	48	2.33	88	25	2.64	96	9	2.11	78	11	2.54	100	4	2.25	75	4	2.25	75	37	2.46	92	6	2.67	100
Production	49	2.29	86	25	2.52	96	9	2.00	78	13	2.54	100	5	2.60	100	4	2.25	75	38	2.34	86	5	2.60	100
Carryover	42	2.17	86	22	2.18	86	9	1.89	78	11	2.18	91	5	2.60	100	3	1.67	67	32	2.19	84	4	2.50	100
Export Demand	41	2.24	83	22	2.27	91	8	2.11	75	11	2.18	100	5	2.40	80	4	2.25	75	31	2.26	84	4	2.50	100
Cash Receipts	35	2.26	83	23	2.35	87	7	2.43	100	10	2.40	100	4	2.50	100	4	2.00	75	28	2.18	72	4	2.50	100
Total	215	2.26	85	117	2.40	91	42	2.10	81	58	2.38	98	23	2.48	91	19	2.11	74	166	2.30	84	23	2.56	100

the worst or next to worst variable. The only major inconsistency on short term outlook was the response of agribusiness firms which ranked price outlook higher than average and carryover lower.

Table 3.3 contains responses regarding the sources of inadequacy in outlook. For short term outlook, the great inadequacy was the delivery system. Respondents from the East, federal government, universities, and agribusiness all cited this as the greatest source of short term inadequacy. Individual comments on the questionnaires suggest that the greatest concern is with the length of time needed to obtain information.

For intermediate and long term outlook accuracy was consistently the most oft cited source of inadequacy.

3.2 Red Meats

As with grain and oilseed outlook, short term outlook for red meat received the highest evaluation (Table 3.4). However, all categories of short and intermediate terms of outlook for red meat is less highly regarded than grains and oilseeds.

In general, outlook for cash receipts was given the most favourable ratings. Despite this, all ratings in the intermediate and long terms were unfavourable (average 2 to 3). Ratings of inventories on farms were consistently least favourable.

Respondents from both eastern and western Canada were comparable in their rankings of individual variables in all three terms, but the west tended to be more critical (Table 3.5).

There were marked differences among the evaluations of the

Table 3.3: Sources of Inadequacy - Grains and Oilseeds

	All	East	West	Federal Gov't.	Provincial Gov't.	University	Marketing Agency	Agribusiness	Farm Organization
Short Term									
Number of Responses	321	173	138	43	44	40	13	156	17
% Accuracy	35	34	39	34	46	28	54	31	47
% Assumptions	25	22	30	23	27	15	46	28	18
% Delivery System	39	42	31	42	27	53	0	38	35
Intermediate Term									
Number of Responses	380	187	193	48	55	56	15	182	25
% Accuracy	40	36	43	31	44	48	67	37	36
% Assumptions	28	26	30	25	27	29	27	29	20
% Delivery System	30	37	23	42	29	23	6	31	32
Long Term									
Number of Responses	363	222	140	42	73	37	17	162	26
% Accuracy	46	42	51	31	59	54	53	41	42
% Assumptions	32	35	28	38	22	16	23	40	38
% Delivery System	22	23	21	31	19	30	23	19	19

* The sum of the percentage who marked 'accuracy', 'assumptions' and 'delivery system' may be less than 100 to account for those who marked 'other'.

Table 3.4: Adequacy of Outlook for Red Meats - All Respondents

	# of Responses	Average Rating	Percent 2 or 3
Short Term			
Prices	79	1.87	66
Production	83	1.84	66
Inventories on farms	81	2.16	74
Domestic consumption	83	2.00	70
Cash receipts	68	1.72	56
Total	394	1.92	66
Intermediate Term			
Prices	80	2.13	78
Production	81	2.12	79
Inventories on farms	81	2.26	80
Domestic consumption	77	2.12	81
Cash receipts	62	1.90	63
Total	381	2.11	76
Long Term			
Prices	72	2.40	86
Production	76	2.37	89
Inventories on farms	72	2.43	88
Domestic consumption	73	2.34	88
Cash receipts	63	2.14	73
Total	356	2.34	85

Table 1.5: Adequacy of Outlook for Red Meat by Type of Respondent

	East			West			Federal			Provincial			Universities			Mktg. Agencies			Agribusiness			Farm Org'n.		
	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3
Short Term																								
Prices	49	1.86	65	90	1.94	67	8	2.13	88	17	1.88	65	7	1.57	57	12	1.67	50	31	1.94	71	7	2.00	71
Production	48	1.71	58	95	2.03	77	9	2.11	78	15	1.73	53	8	1.63	50	12	1.67	67	31	1.87	68	8	2.13	88
Inventory	50	2.06	70	91	2.32	81	10	2.20	80	17	1.88	53	9	2.44	100	11	2.00	73	28	2.18	75	6	2.67	83
Domestic Cons.	50	1.82	60	33	2.27	85	9	2.00	78	17	2.00	65	8	2.25	100	12	1.92	58	30	1.93	63	7	2.14	86
Cash Receipts	44	1.57	43	29	1.81	66	8	2.25	100	16	1.63	38	5	1.40	40	11	1.80	45	26	1.58	46	7	1.86	71
Total	241	1.80	59	158	2.08	75	44	2.14	85	82	1.82	55	37	1.86	69	58	1.76	59	146	1.90	65	35	2.16	80
Intermediate Term																								
Prices	47	2.06	77	91	2.21	79	8	2.38	100	18	1.94	72	7	2.29	71	12	2.08	67	28	2.11	82	7	2.29	71
Production	46	2.07	78	95	2.20	80	8	2.25	100	17	2.00	65	8	2.50	75	12	2.17	92	29	2.00	76	7	2.29	86
Inventory	47	2.11	77	96	2.44	85	9	2.33	100	18	1.78	50	8	2.63	100	11	2.27	82	28	2.32	86	7	2.71	86
Domestic Cons.	45	1.91	69	32	2.38	97	8	2.13	88	13	2.46	100	7	2.00	100	11	2.36	82	26	2.08	77	7	2.14	86
Cash Receipts	35	1.80	57	27	2.07	70	7	2.29	100	12	2.00	67	4	2.00	50	9	1.89	56	20	1.80	60	6	2.17	83
Total	220	2.00	72	161	2.26	82	40	2.28	98	78	2.04	71	34	2.28	79	55	2.15	76	141	2.06	76	34	2.32	82
Long Term																								
Prices	41	2.27	78	91	2.58	97	8	2.63	100	15	2.14	80	7	2.29	86	10	2.50	80	29	2.38	86	4	3.00	100
Production	43	2.26	84	91	2.52	97	8	2.63	100	15	2.20	87	10	2.40	90	11	2.55	91	30	2.20	87	4	3.00	100
Inventory	42	2.26	79	90	2.67	100	7	2.43	100	14	2.07	64	10	2.40	90	11	2.90	91	28	2.43	93	4	3.00	100
Domestic Cons.	41	2.20	78	32	2.53	100	7	2.43	100	16	2.19	75	6	2.33	83	10	2.50	90	29	2.34	90	4	2.50	100
Cash Receipts	36	2.00	64	27	2.33	85	6	2.33	83	16	2.06	69	6	2.17	67	10	2.30	80	22	2.00	68	3	2.67	100
Total	201	2.20	77	151	2.51	96	36	2.49	97	76	2.13	75	39	2.32	83	52	2.35	86	138	2.27	85	19	2.83	100

respondent groups. While the federal government and farm organizations were more critical than average, universities and agribusinesses were not. Marketing agencies were only more critical of intermediate and long term outlook. With the exception of the agribusiness group, who gave the most positive evaluation, the disparity observed was similar to that for grain and oilseed outlook.

There was a degree of consistency in the relative rankings of the individual variables: most respondent groups gave the best evaluation to forecasts of cash receipts and the worst to forecasts of inventories.

In Table 3.6, the most noticeable source of inadequacy for the three time periods was accuracy. The only exceptions were the federal government and farm organizations, who expressed most concern about the inadequacy of the delivery system in the short and long runs.

3.3 Dairy

Table 3.7 contains responses regarding dairy outlook. It was observed that longer forecasting periods necessitate greater improvements in outlook information for all variables. This is consistent with the trend for the previous two categories: 'grains and oilseeds' and 'red meats'.

Dairy outlook ratings were more favourable than those for the preceding commodity groups. This was particularly noticeable in the short and intermediate terms. Outlook for cash receipts generally yielded the most favourable results. On the other hand outlook for domestic demand provided the least favourable responses. Despite this, it is clear the majority of respondents feel that outlook for dairy can be

Table 3.6: Sources of Inadequacy - Red Meats

	All	East	West	Federal Gov't.	Provincial Gov't.	University	Marketing	Agribusiness	Farm Organization
Short Term									
Number of Responses	394	191	203	51	69	39	44	151	40
% Accuracy	40	38	41	31	39	51	52	36	37
% Assumptions	28	25	31	29	29	10	30	33	23
% Delivery System	32	36	28	37	32	39	18	30	40
Intermediate Term									
Number of Responses	453	222	231	48	89	51	65	145	55
% Accuracy	45	43	46	42	44	51	55	41	38
% Assumptions	29	26	32	25	28	16	35	33	27
% Delivery System	25	29	22	33	28	27	10	24	35
Long Term									
Number of Responses	458	230	228	33	82	59	74	181	29
% Accuracy	43	43	42	30	34	47	53	48	35
% Assumptions	31	28	35	21	43	19	31	34	17
% Delivery System	24	25	23	49	23	34	16	16	48

Table 3.7: Adequacy of Outlook for Dairy - All Respondents

	# of Responses	Average Rating	Percent 2 or 3
Short Term			
Target returns	49	1.65	51
Industrial quotas	49	1.61	49
Milk shipments	50	1.70	54
Domestic demand	50	1.92	68
Cash receipts	44	1.55	45
Total	242	1.69	53
Intermediate Term			
Target returns	47	1.74	60
Industrial quotas	46	1.76	65
Milk shipments	47	1.72	68
Domestic demand	48	2.10	79
Cash receipts	41	1.51	51
Total	229	1.77	65
Long Term			
Target returns	46	2.28	83
Industrial quotas	45	2.18	80
Milk shipments	45	2.27	84
Domestic demand	47	2.40	83
Cash receipts	40	2.18	70
Total	223	2.26	80

improved.

The evaluations of the respondent groups were again varied. In both the short and long range forecasts the federal government, agribusiness firms, and farm organizations were more critical than average. There was no apparent consistency in the ranking of individual variables over time and respondent groups.

Outlook for domestic demand was considered the least acceptable variable only in the short term. Cash receipts were viewed as the most adequate variable by universities, agribusinesses, and farm organizations, target returns by the provincial governments, and industrial quotas and milk shipments by marketing agencies.

Table 3.9 illustrates the three sources of inadequacy in the forecasts. Most respondent groups found accuracy to be the greatest source of inadequacy over the three time periods, while the delivery system was criticized for short term outlook.

3.4 Poultry and Eggs

As with previous commodities, respondents had a lower regard for forecasts of poultry and egg outlook, as the forecast period increases (Table 3.10). However, according to the average ratings and the percentage who answered 2 or 3, poultry and egg outlook was considered the most reliable of all five commodity groups over all time periods.

Cash receipts and production quotas were the two most favoured variables. Carryover stocks were the least highly regarded.

When viewed by type of respondent (Table 3.11), the West, agribusiness firms, and farm organizations were generally the most critical

Table 3.8: Adequacy of Outlook for Dairy by Type of Respondent

	East			West			Federal			Provincial			Universities			Mktg. Agencies			Agribusiness			Farm Org'n.		
	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3
Short Term																								
Target returns	11	1.71	52	18	1.56	50	4	1.75	50	14	1.29	29	6	1.33	33	6	1.50	50	15	2.00	73	4	2.25	75
Industrial quotas	11	1.65	48	18	1.56	50	4	1.75	50	13	1.38	38	6	1.17	17	6	1.33	33	17	2.00	76	3	1.67	33
Milk shipments	12	1.72	50	18	1.67	61	4	1.75	50	13	1.38	38	6	1.50	50	6	1.33	33	18	2.06	72	3	2.00	67
Domestic demand	33	1.88	61	17	2.00	82	4	1.75	50	14	1.71	57	5	1.60	60	6	1.83	50	18	2.22	83	4	2.25	100
Cash receipts	28	1.46	36	16	1.69	63	3	2.00	67	13	1.38	38	4	1.00	0	5	1.40	40	16	1.69	56	2	1.50	50
Total	155	1.68	49	87	1.70	61	19	1.70	53	67	1.43	40	27	1.32	32	29	1.48	41	84	1.99	72	16	1.93	65
Intermediate Term																								
Target returns	12	1.78	61	15	1.67	53	4	1.50	25	14	1.36	36	1	1.33	33	6	2.00	83	16	2.00	75	4	2.25	100
Industrial quotas	11	1.74	61	15	1.80	73	4	1.50	25	13	1.43	54	3	1.33	33	6	1.83	83	17	2.00	82	3	2.00	67
Milk shipments	12	1.88	66	15	1.80	73	4	1.50	25	13	1.43	54	3	1.67	67	6	1.67	67	17	2.18	82	4	2.25	100
Domestic demand	13	1.73	73	15	2.33	93	4	1.50	25	14	1.93	71	2	1.50	50	6	2.17	83	16	2.38	94	4	2.50	100
Cash receipts	28	1.57	43	13	2.08	69	3	1.67	33	14	1.64	43	2	1.00	0	5	2.00	80	15	1.87	60	2	1.50	50
Total	156	1.74	61	73	1.94	72	19	1.53	27	68	1.56	52	13	1.17	37	29	1.93	79	81	2.09	79	17	2.10	83
Long Term																								
Target returns	10	2.17	77	16	2.50	94	4	2.25	75	13	2.00	77	1	1.67	33	5	2.40	80	17	2.53	94	4	2.50	100
Industrial quotas	29	2.07	72	16	2.38	94	4	2.25	75	12	2.00	83	3	1.67	33	5	2.20	80	18	2.33	89	3	2.33	67
Milk shipments	30	2.23	80	15	2.33	93	4	2.25	75	11	1.91	73	1	2.00	67	5	2.20	80	18	2.50	94	4	2.50	100
Domestic demand	31	2.29	77	16	2.63	94	4	2.25	75	13	2.38	77	4	2.25	75	5	2.20	80	17	2.53	88	4	2.50	100
Cash receipts	27	2.04	61	13	2.46	85	3	2.33	67	13	2.23	77	3	1.67	33	5	2.20	80	14	2.20	71	2	1.50	50
Total	147	2.16	74	76	2.46	87	19	2.27	73	62	2.10	77	16	1.85	48	25	2.24	80	84	2.44	87	17	2.27	83

Table 3.9 : Sources of Inadequacy - Dairy

	All	East	West	Federal Gov't.	Provincial Gov't.	University	Marketing Agency	Agribusiness	Farm Organization
Short Term									
Number of Responses	156	99	58	15	21	7	11	79	25
% Accuracy	38	31	48	33	48	29	73	35	24
% Assumptions	28	31	26	33	24	14	27	34	20
% Delivery System	32	38	22	33	14	57	0	30	56
Intermediate Term									
Number of Responses	159	109	50	15	24	5	17	78	20
% Accuracy	41	34	56	33	54	40	53	37	35
% Assumptions	35	38	30	33	38	0	47	36	30
% Delivery System	23	28	14	33	8	60	0	26	35
Long Term									
Number of Responses	211	140	71	24	49	10	25	82	21
% Accuracy	53	54	52	37	49	60	60	60	42
% Assumptions	28	26	32	21	29	20	40	27	29
% Delivery System	18	20	16	42	22	20	0	12	29

Table 3.10: Adequacy of Outlook for Poultry and Eggs - All Respondents

	# of Responses	Average Rating	Percent 2 or 3
Short Term			
Prices	47	1.60	47
Production	47	1.53	43
Carryover stocks	46	1.61	46
Production quotas	45	1.53	61
Cash receipts	37	1.43	32
Total	222	1.54	46
Intermediate Term			
Prices	45	1.71	60
Production	46	1.74	63
Carryover stocks	44	1.75	59
Production quotas	45	1.71	58
Cash receipts	36	1.61	50
Total	216	1.70	58
Long Term			
Prices	39	2.13	69
Production	40	2.13	73
Carryover stocks	38	2.16	71
Production quotas	36	2.06	69
Cash receipts	32	2.03	66
Total	185	2.10	70

Table 3.11: Adequacy of Outlook for Poultry and Eggs by Type of Respondent

	East			West			Federal			Provincial			Universities			Mktg. Agencies			Agribusiness			Farm Org'n.		
	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3
Short Term																								
Prices	11	1.42	32	16	1.94	75	5	1.20	20	15	1.47	47	4	1.25	25	5	1.60	40	16	1.81	56	2	2.50	100
Production	32	1.41	31	15	1.80	67	5	1.20	20	15	1.47	47	4	1.25	25	5	1.20	20	16	1.81	56	2	2.00	50
Carryover stocks	33	1.55	42	13	1.77	54	5	1.20	20	13	1.38	38	4	1.50	50	5	1.40	20	16	1.88	56	3	2.33	100
Production quota	10	1.50	33	16	1.69	50	5	1.00	0	14	1.29	29	4	1.75	50	5	1.20	20	16	2.00	63	2	2.00	50
Cash receipts	24	1.21	17	13	1.85	62	2	1.00	0	14	1.57	43	3	1.00	0	4	1.25	25	12	1.42	33	2	2.00	50
Total	150	1.42	31	73	1.81	62	22	1.12	12	71	1.44	41	19	1.35	30	24	1.33	25	76	1.78	51	11	2.17	70
Intermediate Term																								
Prices	28	1.54	46	17	2.00	82	6	1.67	67	14	1.50	50	3	1.67	67	4	1.75	75	16	1.81	56	2	2.50	100
Production	29	1.66	55	17	1.88	76	5	1.60	60	14	1.64	64	3	1.33	33	4	1.75	75	17	1.88	65	3	2.00	67
Carryover stocks	30	1.67	53	14	1.93	71	6	1.67	67	12	1.50	50	3	1.33	33	4	1.75	75	16	1.88	56	3	2.67	100
Production quota	28	1.64	54	17	1.82	65	6	1.50	50	14	1.43	43	3	1.33	33	4	1.75	75	16	2.00	69	2	2.50	100
Cash receipts	22	1.41	36	14	1.93	71	3	1.33	33	14	1.71	57	2	1.00	0	3	1.67	67	11	1.55	45	3	2.00	67
Total	137	1.58	49	79	1.91	73	26	1.55	55	68	1.56	51	14	1.33	33	15	1.73	73	76	1.82	58	13	2.33	87
Long Term																								
Prices	23	1.96	61	16	2.38	81	5	2.20	60	12	2.25	75	3	2.00	67	4	2.00	75	13	2.00	62	2	2.50	100
Production	24	2.00	67	16	2.31	81	5	2.20	60	13	2.23	77	4	2.25	75	4	2.00	75	13	1.92	69	1	3.00	100
Carryover stocks	25	2.12	72	13	2.23	69	5	2.20	60	10	2.00	60	4	2.25	75	4	2.00	75	12	2.08	75	2	3.00	100
Production quota	23	2.04	65	12	2.08	75	5	2.20	60	11	1.91	64	3	2.00	67	4	1.75	75	12	2.17	75	1	3.00	100
Cash receipts	18	1.78	56	14	2.36	79	3	1.67	33	4	1.25	25	3	2.00	67	3	1.67	67	10	1.80	60	2	2.50	100
Total	113	1.98	64	71	2.27	77	23	2.09	55	50	1.93	60	17	2.10	70	15	1.88	73	12	1.99	68	8	2.80	100

of poultry and egg outlook. Government respondents, universities, and marketing agencies were less critical than average. Federal government respondents were least critical.

With respect to individual variables, short run cash receipts and production quotas were both marked most favourable by four of the respondent groups. However, universities and agribusiness firms considered production quotas to be the worst forecast.

In the intermediate term, except for the provincial governments, outlook for cash receipts was again determined the most favourable variable. The only variable not ranked worst by any group was 'production'.

In the long term all respondent groups rated cash receipt outlook hig[illegible]t.

The greatest source of inadequacy (Table 3.12) in short term outlook was the delivery system. This ranking was consistent among most types of respondent. While accuracy was ranked first for intermediate and long term outlook, the delivery system was a close second. Marketing agencies were the only group relatively satisfied with the delivery system.

3.5 Horticulture

As indicated by the average ratings and also by the percentage who marked 2 or 3, short and intermediate term outlook for horticulture is the least highly regarded of all commodity groups (Table 3.13). In the long run, however, outlook for horticulture was regarded second only to poultry and egg outlook.

In general, outlook for crop production and prices were the

Table 3.12: Sources of Inadequacy - Poultry and Eggs

	All	East	West	Federal Gov't.	Provincial Gov't.	University	Marketing Agency	Agribusiness	Farm Organization
Short Term									
Number of Responses	121	66	55	9	28	7	5	54	15
% Accuracy	35	30	40	22	46	14	40	31	47
% Assumptions	23	20	27	0	32	0	40	30	0
% Delivery System	40	47	33	78	21	86	20	35	53
Intermediate Term									
Number of Responses	142	77	65	24	32	5	9	50	20
% Accuracy	44	38	52	29	44	20	100	40	50
% Assumptions	25	27	23	21	34	0	0	32	10
% Delivery System	30	35	25	50	22	80	0	28	40
Long Term									
Number of Responses	154	83	71	15	57	6	5	49	15
% Accuracy	36	39	34	27	23	50	100	45	47
% Assumptions	25	22	29	0	2	0	0	31	20
% Delivery System	34	33	37	60	39	50	0	24	33

Table 3.13: Adequacy of Outlook for Horticulture - All Respondents

	# of Responses	Average Rating	Percent 2 or 3
Short Term			
Prices	42	2.12	74
Crop production outlook	42	2.12	76
Exports	32	2.03	66
Storage stocks	37	2.11	73
Cash receipts	30	1.90	60
Total	183	2.06	70
Intermediate Term			
Prices	41	2.17	80
Crop production outlook	41	2.22	85
Exports	32	2.16	78
Storage stocks	35	2.11	77
Cash receipts	31	2.16	81
Total	180	2.16	80
Long Term			
Prices	41	2.20	78
Crop production outlook	43	2.21	81
Exports	35	2.17	74
Storage stocks	38	2.11	71
Cash receipts	33	2.18	76
Total	190	2.17	76

least highly regarded variables. Cash receipts were ranked best in the short run, and storage stocks in the intermediate and long term.

The range of evaluations (Table 3.14) of short term outlook among individual respondent groups was 1.37 (1.42 to 2.59) indicating a wide dispersion of opinion.

Federal government respondents were the most critical of horticultural outlook in all time periods. Farm organizations over all time periods and agribusiness firms in the short and intermediate terms were also more critical than average.

The only parallel among individual variables was that outlook for cash receipts ranked best or second best for all three time periods and by three respondent groups: universities, marketing agencies, and agribusinesses. The federal government also considered it the best variable in the short and intermediate terms. The only variables not to be ranked lowest by any respondent were long run price forecasts and storage stocks.

The most prominent source of inadequacy in horticulture outlook was accuracy (Table 3.15). In the short run, the federal government, marketing agencies, agribusiness, and farm organizations stressed accuracy, while the provincial governments and universities appeared more concerned about the delivery system. All respondent groups emphasized intermediate term accuracy; there was very little emphasis on any particular source in the long term.

Table 3.14: Adequacy of Outlook for Horticulture by Type of Respondent

	East			West			Federal			Provincial			Universities			Mktg. Agencies			Agribusiness			Farm Org'n.		
	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3	#	Ave. Rating	% 2 or 3
Short Term																								
Prices	30	2.07	71	12	2.25	75	6	2.50	100	6	1.67	50	4	1.75	75	6	1.83	50	14	2.29	86	6	2.33	67
Crop prod. outlook	30	2.03	71	12	2.33	83	6	2.67	100	6	2.00	83	4	1.75	25	6	1.67	50	14	2.36	86	6	2.17	83
Exports	22	1.95	64	10	2.20	70	4	2.75	100	3	1.67	33	3	1.33	33	6	1.67	33	10	2.20	80	6	2.17	83
Storage stocks	27	1.96	67	10	2.50	90	5	2.80	100	5	1.80	40	4	1.75	75	6	1.83	50	12	2.25	83	5	2.00	80
Cash receipts	22	1.77	55	8	2.25	75	4	2.25	75	7	2.14	71	3	1.00	0	4	1.25	25	6	2.00	83	6	2.17	67
Total	131	1.96	66	52	2.31	79	25	2.59	95	27	1.86	55	18	1.42	42	28	1.65	42	56	2.22	84	29	2.17	76
Intermediate Term																								
Prices	26	2.12	77	15	2.27	87	4	2.50	100	11	2.09	82	3	2.00	100	5	2.00	80	13	2.23	77	5	2.20	60
Crop prod. outlook	26	2.08	77	15	2.47	100	4	2.50	100	11	2.09	91	3	1.67	67	6	2.33	83	12	2.33	92	5	2.20	60
Exports	21	2.00	67	11	2.45	100	3	2.67	100	8	2.00	75	2	1.50	50	5	2.20	80	9	2.33	89	5	2.00	60
Storage stocks	24	1.96	67	11	2.45	100	3	2.67	100	8	1.88	63	3	1.67	67	5	2.20	80	11	2.18	82	5	2.20	80
Cash receipts	21	1.95	71	10	2.60	100	3	2.33	100	10	2.40	90	2	1.50	50	3	1.67	67	8	2.13	88	5	2.20	60
Total	118	2.02	72	62	2.45	97	17	2.53	100	48	2.09	80	11	1.67	67	24	2.08	78	53	2.24	86	25	2.16	64
Long Term																								
Prices	26	2.15	77	15	2.27	80	4	2.50	100	10	2.00	70	3	2.33	100	4	2.25	75	14	2.14	79	6	2.33	67
Crop prod. outlook	27	2.11	74	16	2.38	94	4	2.50	100	10	2.00	80	4	2.25	75	5	2.40	80	14	2.21	86	6	2.17	67
Exports	23	2.13	70	12	2.25	83	3	2.67	100	8	2.00	75	4	2.50	100	5	2.00	60	10	2.10	70	5	2.20	60
Storage stocks	26	2.04	69	12	2.25	75	3	2.67	100	8	2.00	63	4	2.25	75	4	2.25	75	13	1.92	62	6	2.17	83
Cash receipts	21	2.05	67	12	2.42	92	3	2.67	100	10	2.30	80	3	2.00	67	3	1.67	67	8	2.00	75	6	2.33	67
Total	123	2.10	71	67	2.31	85	17	2.60	100	46	2.06	74	18	2.27	83	21	2.11	71	59	2.07	74	29	2.24	69

Table 3.15: Sources of Inadequacy - Horticulture

	All	East	West	Federal Gov't.	Provincial Gov't.	University	Marketing Agency	Agribusiness	Farm Organization
Short Term									
Number of Responses	179	112	67	22	35	9	14	63	36
% Accuracy	44	49	34	54	34	33	57	40	50
% Assumptions	22	21	24	23	26	0	0	32	14
% Delivery System	30	26	36	23	40	67	14	24	31
Intermediate Term									
Number of Responses	176	102	70	17	40	13	14	60	32
% Accuracy	44	50	39	41	35	69	50	42	50
% Assumptions	26	25	29	29	40	0	21	27	19
% Delivery System	27	24	27	29	25	31	0	30	31
Long Term									
Number of Responses	209	125	84	22	49	24	15	61	37
% Accuracy	42	46	35	32	37	63	40	38	49
% Assumptions	22	21	23	23	26	0	27	24	21
% Delivery System	34	33	37	45	37	37	7	38	30

4.0 Plans to Expand Outlook Work

The final portion of the survey is concerned with future developments in commodity forecasts, particularly the expansion and improvement of market outlook.

4.1 Aggregate Response

Slightly more than one third of those who responded plan to increase their activity in commodity market analysis (Table 4.1). The greatest future emphasis will be placed on red meats and grains and oilseeds. Future emphasis will be about evenly placed on short, intermediate and long term outlook. Fewer than 25% of the respondents plan to start or expand a computer data base.

Respondents who do not plan to expand outlook work were asked for specific reasons. There appear to be three major factors. First, many feel that other agencies are in a better position to provide outlook. Second, many feel that their current staff resources are inadequate and the costs of expanding would be too high. Finally, about one-third feel that current information is sufficient for their clients.

4.2 Future Plans by Type of Respondent

Tables 4.2-4.4 summarize answers to these questions by type of respondent. It should be noted, that a large proportion of the respondents did not answer some questions in this part of the questionnaire. Thus, the data represent small samples.

Based on this limited sample, several inferences emerge. First, a greater proportion of eastern than western respondents plan to increase

Table 4.1: Canadian Plans to Expand Outlook Work

	Yes	%[1]	No
1) Do you plan to increase your activity in commodity market outlook?	60	39	68

2) Where do you plan to place your emphasis?[2]

commodity \ term	ST	%	IT	%	LT	%
grains and oilseeds	24	40	27	45	24	40
red meats	26	43	30	50	21	35
dairy	8	13	12	20	9	15
poultry and eggs	9	15	10	17	7	12
horticulture	12	20	11	18	10	17
other	9	15	10	17	8	13

3) Does your agency have any plans to start or expand a computer data base?	36	23	88

4) If you do not plan to increase your activity in commodity market outlook, specify reasons:	#	%[3]
a) current outlook information is adequate for your clients	24	35
b) current staff resources are inadequate	25	37
c) unable to hire qualified analysts	14	21
d) costs of initiating an expanded program is too high	23	34
e) costs of maintaining an expanded program is too high	20	29
f) other agencies can provide better outlook information	32	47
g) outlook has a low priority in this agency/firm	16	24
h) access to information for analysis is limited	8	12
i) other	1	2

1/ percentage of useable returns
2/ percentage of respondents planning to increase outlook activity
3/ percentage of respondents not planning to increase outlook activity

outlook work (Table 4.2). Respondents from provincial governments, marketing agencies and farm organizations generally indicate more plans to increase outlook.

Second, no group indicated major plans to increase or expand data bases. Third, all groups who plan to expand outlook intend to emphasize red meats and grains and oilseeds (Table 4.2).

Fourth, in view of the evaluation of current outlook efforts (section 3.0), it is significant that no group indicates a substantial interest in expanding efforts regarding intermediate or long term outlook (Table 4.3). This inference is based on the fact that very few of the respondents marked intermediate or long term more often than short term.

Finally, while there are differences among groups, the most common reasons for not expanding outlook were the same as those discussed above for the sample as a whole - others can do it better, staff resources/cost and adequacy of current information.

Table 4.2: Percentage of Respondents Who Plan to Increase Outlook Work, by Respondent Group

Group	Activity (in Commodity Market Outlook)	Computer Data Base
East	41	23
West	34	24
Federal Government	38	31
Provincial Government	48	26
University	19	19
Marketing Agency	45	30
Agribusiness	47	17
Farm Organization	36	36

Table 4.3: Areas of Emphasis on Increases in Activity in the Short, Intermediate, and Long Terms

	East	West	Federal Gov't.	Provincial Gov't.	University	Marketing Agency	Agribusiness	Farm Organization
					%[1/]			
Grains & Oilseeds								
short term	33	55	17	36	33	22	48	20
intermediate term	40	55	33	36	67	22	52	20
long term	38	45	33	36	33	11	48	10
Red Meats								
short term	40	50	0	64	33	56	29	80
intermediate term	17	65	17	55	67	67	35	80
long term	25	55	17	36	67	44	29	60
Dairy								
short term	6	10	0	27	0	0	16	0
intermediate term	10	10	0	18	33	11	26	0
long term	6	15	0	9	33	0	23	0
Poultry and Eggs								
short term	6	15	0	27	0	0	16	20
intermediate term	6	20	17	9	33	11	16	20
long term	2	25	0	9	33	11	10	20
Horticulture								
short term	9	15	17	27	0	11	13	60
intermediate term	9	10	0	18	0	11	16	60
long term	8	10	0	18	0	0	16	60
Other								
short term	5	20	33	36	0	0	6	20
intermediate term	6	20	33	45	0	0	6	20
long term	4	20	19	36	0	0	6	20

1/ Percentage of respondents planning to increase outlook activity.

Table 4.4: Reasons for Not Increasing Activity

Reason	East	West	Federal Gov't.	Provincial Gov't.	University	Marketing Agency	Agribusiness	Farm Organization
					%[1/]			
a) current outlook information is adequate for clients	37	38	33	0	25	50	57	13
b) current staff resources are inadequate	32	48	11	63	33	88	26	25
c) unable to hire qualified analysts	13	38	0	38	17	50	17	13
d) costs of initiating an expanded program is too high	32	38	11	50	17	75	35	25
e) costs of maintaining an expanded program is too high	28	33	11	25	25	63	35	13
f) other agencies can provide better outlook information	51	38	67	50	33	50	57	13
g) outlook has a low priority in this agency/firm	23	24	22	13	17	50	26	13
h) access to information for analysis is limited	13	10	11	13	0	13	17	13
i) other	2	0	0	0	0	0	0	0

1/ Percentage of respondents not planning to increase outlook activity.

5.0 Summary and Conclusions

In this section the study is summarized and conclusions are offered regarding the agricultural outlook function in Canada.

5.1 Forecasting Currently Carried out in Canada

Although the responses of the individual organizations to the question of whether they engage in agricultural commodity forecasting varied from 38% to 81% in the affirmative, in most organizations about half the respondents do engage in forecasting. This is confirmed in Tables 2.1 and 2.2, where the total positive response was 54%, with east at 56% and west, 52%.

In all organizations, over three quarters of those engaging in forecasting develop forecasts for agricultural commodities for internal use. External use varies widely from organization to organization, but if the responses in Tables 2.1 and 2.5 are taken as an overall indication, approximately half of those same organizations (engaging in forecasting) develop forecasts for external use. Publications by all types of organizations are directed at producers more than any other group. In all cases consumers are the smallest group of recipients of publications.

Subscription to government or commercial market analysis services also varies widely among the organizations, but it appears that about half of the respondents are subscribers.

5.2 Approaches Employed to Make Forecasts

Fewer than half the organizations employ commodity analysts, with the largest group of employers being the federal government, and the

smallest, marketing agencies. Almost all who hire analysts employ those who are specialized by commodity area. Most of the emphasis is on grains and oilseeds, and red meats.

In most cases simple trend analysis and balance sheet approaches to market analysis and forecasting are employed. The other methods, especially time series and technical analysis of futures markets, are used much less. Very few organizations indicated whether the techniques were developed by their own staff, or by another firm or agency under outside contract, or whether any techniques were used by other individuals to provide their organization with market analysis services.

5.3 Use of Data Base and Retrieval Systems

Approximately one quarter of respondents maintain a computer data base for market analysis purposes. The range of maintenance varies from a high of 55% for marketing agencies to a low of 9% for agribusinesses.

In most cases more organizations use or subscribe to a major computer data bank than maintain a data base. CANSIM is the data bank subscribed to by most types of organizations in both eastern and western Canada. AGDATA is also widely used in the west. Chase Econometrics is seldom used by any type of organization.

5.4 Evaluation of Outlook

The foregoing data seem to tell several interesting stories about Canadian outlook. The most obvious is that outlook is not highly regarded. Both the average ratings and the number of respondents who rated individual variables either 2 or 3 indicate that the majority of respondents feel

that improvement is required.

Second, respondents were more critical of outlook the further into the future forecasts are made. Long term outlook receives consistently worse ratings than either short or intermediate term. Some respondents commented that they were not aware that long term outlook was done.

Third, there is less satisfaction with outlook for commodity groups which are not highly regulated, especially short and intermediate term outlook. This is despite the fact that considerably more resources are devoted to outlook for grains and oilseeds and red meats than to the remaining groups of commodities. Dairy and poultry outlook received better evaluations than did the remaining commodity groups. This is not surprising since, in the Canadian context, there is less variation in most variables for the regulated commodities and, therefore, forecasting is easier. However, it should be noted that even for the regulated commodities, long term outlook fared poorly. This implies a perceived need for improved information on long term directions for all sectors.

Fourth, there is considerable difference in the perception of the various groups of respondents. Table 5.1 contains a summary of the average ratings for all variables and commodity groups by type of respondent. Several inferences can be drawn from this table:

1. Western respondents are generally more critical of outlook than their eastern counterparts.

2. Federal government respondents are generally more critical of outlook for unregulated commodities than average, but less critical of outlook for regulated commodities.

3. Provincial government respondents are less critical of outlook than average.

Table 5.1: Summary of Average Ratings by Type of Respondent

Respondent Group	Grains and Oilseeds	Red Meats	Dairy	Poultry and Eggs	Horti-culture
		Short Term			
All	1.73	1.92	1.69	1.54	2.06
East	1.71	1.80	1.68	1.42	1.96
West	1.76	2.08	1.70	1.81	2.31
Federal Government	1.93	2.14	1.70	1.12	2.59
Provincial Government	1.48	1.82	1.43	1.44	1.86
Universities	1.85	1.86	1.32	1.35	1.42
Marketing Agencies	1.41	1.76	1.48	1.33	1.65
Agribusiness	1.84	1.90	1.99	1.78	2.22
Farm Organizations	1.67	2.16	1.93	2.17	2.17
		Intermediate Term			
All	1.89	2.11	1.77	1.70	2.16
East	1.90	2.00	1.74	1.58	2.02
West	1.89	2.26	1.94	1.91	2.45
Federal Government	2.00	2.28	1.53	1.55	2.53
Provincial Government	1.78	2.04	1.56	1.56	2.09
Universities	1.91	2.28	1.17	1.33	1.67
Marketing Agencies	1.83	2.15	1.93	1.73	2.08
Agribusiness	1.92	2.06	2.89	1.82	2.24
Farm Organizations	2.30	2.32	2.10	2.33	2.16
		Long Term			
All	2.31	2.34	2.26	2.10	2.17
East	2.26	2.20	2.16	1.98	2.10
West	2.40	2.53	2.46	2.27	2.31
Federal Government	2.10	2.49	2.27	2.09	2.60
Provincial Government	2.38	2.13	2.10	1.93	2.06
Universities	2.48	2.32	1.85	2.10	2.27
Marketing Agencies	2.11	2.55	2.24	1.88	2.11
Agribusiness	2.30	2.27	2.44	1.99	2.07
Farm Organizations	2.56	2.83	2.27	2.80	2.24

4. University respondents are less critical of outlook for dairy, poultry and egg outlook than the average.

5. Respondents from marketing agencies are less critical of short and intermediate term outlook than the average.

6. Agribusiness firms are more critical of short and long term outlook than the average.

7. Farm organizations are generally much more critical of outlook than their counterparts in other groups.

A fourth set of conclusions has to do with the sources of inadequacy. While the major perception of inadequacy is the accuracy of forecasts, the delivery system is also a cause of concern, particularly for short run outlook. Several respondents noted that short run outlook is often made available too late to be of value.

5.5 Future Plans to Expand Outlook

Approximately half the respondents plan to expand outlook work in the future, while few intend to start or expand the data bases upon which outlook is founded. The commodity groups on which the greatest emphasis will be placed are grains and oilseeds and red meats. This is partially consistent with the evaluation which indicated that outlook for these commodities was perceived as being particularly weak. However, there seems to be few plans to expand outlook for horticultural crops, which is also regarded as weak.

In spite of the rather dismal evaluation of intermediate and long term outlook for all commodities, there seems to be no more inclination to improve these areas than short term outlook.

Three factors seem to be of considerable importance among those respondents who do not plan to expand outlook. First, many feel that

other agencies are better able to provide this information. Second, many feel that their current staff resources are too limited and the costs of expansion are too high. Finally, some contend that current information is sufficient for their clients.

6.0 Implications

A number of important implications for the future direction and organization of outlook work in Canada can be drawn from this survey of analysts. Because of the qualitative and judgmental nature of responses, some of the implications reported are not definitive but nevertheless do indicate important tendencies. The authors provide the following items as important implications.

1. There is widespread agreement among all regions and all categories of organizations that improvements are definitely needed in commodity outlook information that is now currently being provided. The strength of this concern is further substantiated by the large number of organizations indicating future expansion to provide outlook information. As a result, it is anticipated that more resources will be devoted to outlook in Canada.

2. It is expected that the most extensive improvements in outlook programs should occur for those commodities where variability is greatest -- grains, red meats and horticultural commodities.

3. Respondents' dissatisfaction suggests that more attention will be focused on the medium term (more than 1 to 4 quarters ahead) and long term (longer than 1 year). This will undoubtedly require a substantial increase in the sophistication of procedures used to develop outlook information. Concern was expressed that these improvements would be needed for all commodities. One reason for the dissatisfaction may be a perceived structural change in demand for these commodities. If these perceptions are true, they have important implications for resource allocation at the primary producer level, for the processing and distribution systems and for

government and marketing board policy. Yet very little analysis directed at testing the hypothesis that demand parameters have changed has apparently been undertaken. Understanding these changes if they are in fact occurring, quantifying them and projecting their consequences are critical to agriculture at this juncture. Such analysis should be an integral part of an outlook program.

4. There is relatively widespread use of EDP data bases by analysts and a number of organizations are planning to increase their development. Many different data bases are used in Canada. It could be a more efficient use of resources if fewer, more specialized data bases were used by analysts. There may be savings to users from substantial economies of scale and cooperative arrangements.

5. A critical concern identified by respondents was the lack of accuracy of forecasts. A possible reason for this concern relates to the relatively simple procedures commonly used by analysts. The use of more sophisticated forecasting techniques along with analysts' judgment may be required to improve forecasting accuracy.

6. A critical problem noted by analysts was the inadequacy of the information delivery system. Much of the current distribution of information is based on the mail. Many new types of approaches using voice and digital techniques are now possible which can accelerate output and provide an interactive approach with users.

7. Another critical problem noted was with regard to forecast assumptions. This would imply that interaction between forecasters and users is important, alternative forecasts based on different assumptions is desired and reporting of forecasts must include relevant assumptions.

8. Many agencies expressed an unwillingness or inability to carry out forecasting. It would appear that there is a widespread requirement for a public or cooperative agency to take a leadership role in outlook forecasting. There is a heavy investment required in developing and operating more sophisticated forecasting techniques, supporting the reluctance of analysts to undertake this critical step.

9. It was further noted that outlook is undertaken by a large and diverse number of organizations in Canada, using rather simple techniques such as trend and balance sheet analysis. It would appear important, in light of analysts' comments on the quality and shortcomings of outlook information, that upgraded analytical techniques and interaction among users is important to substantially improve outlook work. More effort would appear to be required in the transfer of techniques useful for forecasting to the commodity analyst.

10. Another implication is closely related to the foregoing. Judging from the proportion of respondents who indicated that a major reason for not expanding outlook work is that other agencies can do it better, there appears to be some buck passing in the system. What is needed is clarification of who has what responsibility for providing outlook in Canada. If this clarification was provided, then the roles of various organizations would be better defined and the needed interaction, cited above, could be facilitated.

APPENDIX

SURVEY OF COMMODITY MARKET ANALYSTS

Thank you for responding to this Questionnaire. It should only take a few minutes of your time.

Please refer to the first coloured page of each section for instructions.

Please indicate which type of organization you represent:

1. Federal government . . . . . _____
2. Provincial government . . . . . _____
3. University . . . . . _____
4. Marketing Agency . . . . . _____
5. Agribusiness firm. . . . . _____
6. Farm Organization. . . . . _____

Name and Address

Name: _____

Title: _____

Firm/agency: _____

Street: _____

City: _____

Prov.
Postal Code: _____

Would you like a copy of the report from this survey?

Yes _____ No _____

PLEASE NOTE THAT ALL REPLIES ARE CONFIDENTIAL AND ONLY AGGREGATES WILL BE REPORTED

_____
(office use only)
No.

PART A

Commodity Forecasting Procedures

The purpose of this section of the survey is to determine; what forecasting is currently being carried out in Canada, what approaches are being employed to make forecasts, what data are being used and if there is use being made of data base and retrieval systems.

1. Does your organization engage in agricultural commodity forecasting? (If No, go to Part B)

Yes	No
☐	☐

2. Does your organization **develop forecasts** for agricultural commodities (prices, production, exports, etc.) for either internal use and/or external use (including publications).

	Yes	No
Internal use	☐	☐
External use	☐	☐

3. If there are **external publications** what is the title, frequency (e.g. monthly, quarterly) and price of each publication (indicate if free).

	List Titles	Frequency of publication	price
(i)			
(ii)			
(iii)			
(iv)			
(v)			

Please **attach** a sample copy of your publications, reports, etc.)

4(a) Please indicate **who receives your publications.**

(Check all appropriate boxes)

- Producers ☐
- Processors/Input Suppliers ☐
- Wholesalers & retailers ☐
- Government ☐
- Marketing Agencies ☐
- Consumers ☐

(b) What is the **total circulation** of all publications?

Number ☐

5. Does your organization **subscribe to a government or commercial market analysis service(s)?** Yes ☐ No ☐

If **yes**, please list services and supplier.

_____

_____

_____

_____

Method of Analysis and Forecasting

6. Does your organization **employ commodity market analysts?** Yes ☐ No ☐

(If **no**, go to question 10)

If **yes**, how many **person years** are used?

Number ☐

7. Are the analysts **specialized by commodity area?** Yes ☐ No ☐

If **yes**, what are the **areas of specialization?** (Check appropriate boxes)

- Grains and Oilseeds ☐
- Red Meats ☐
- Dairy ☐
- Poultry and Eggs ☐
- Horticulture ☐
- Other (please specify) ☐

8. Which of the following **approaches** are followed in undertaking market analysis and forecasting in your organization?

		Yes	No
i)	econometric models	☐	☐
ii)	time series – (ARIMA, transfer functions)	☐	☐
iii)	simple trend analysis	☐	☐
iv)	balance sheet (supply – disposition tables)	☐	☐
v)	technical analysis of futures markets	☐	☐
vi)	informal	☐	☐
vii)	other (please specify)	☐	☐

9. Could you provide some **additional information about the use of the techniques** identified in Question 8

(a) Have any of these techniques used been **developed by you or your own staff?** Yes ☐ No ☐

If **yes**, please **circle** the number below relating to the techniques listed in Question 8.

(i) (ii) (iii) (iv) (v) (vi) (vii)

(b) Have any of these techniques been **developed for your firm/agency under contract** with an outside individual, firm or agency? Yes ☐ No ☐

If **yes**, please **circle** the number below relating to the techniques listed in Question 8.

(i) (ii) (iii) (iv) (v) (vi) (vii)

(c) Are any of these techniques **used by other individuals/agencies to provide your firm with a market analysis service?** Yes ☐ No ☐ Unknown ☐

If **yes**, please **circle** the number below relating to the techniques listed in Question 8

(i) (ii) (iii) (iv) (v) (vi) (vii)

10. Does your organization maintain a **computer data base** for market analysis purposes? Yes ☐ No ☐

If **yes, how many series** are maintained? Number ☐

(Please **attach** list of series in the data base)

11. Does your organization make use of or **subscribe to a major computer data bank?** Yes ☐ No ☐

If **yes,** please indicate which ones.

CANSIM ☐
AG DATA (Alberta Agriculture) ☐
FARMBANK ☐
Data Resources ☐
Chase Econometrics ☐
Other (please specify) ☐

_____

_____

_____

_____

_____

PART B

Adequacy of Forecast Information

In this part of the questionnaire we would like your assessment of the adequacy of current commodity outlook information. You will be asked to make this assessment relative to the three factors:

i) types of commodities, ii) clients and, iii) time periods

DEFINITIONS

Types of Commodities

(a) Grains and Oilseeds (food grains, feed grains and oilseeds)
(b) Red meats (includes beef, pork, sheep, lamb, veal)
(c) Dairy Products (fluid and industrial milk and all products)
(d) Poultry and Eggs (chicken, turkeys, eggs)
(e) Horticultural and Special Crops (including sugar, tobacco, honey, maple products)

Clients of Forecast Information

(a) Producers
(b) Processors/Input suppliers
(c) Wholesalers and Retailers
d) Government
e) Marketing boards and agencies
f) Consumers

Time Periods

(a) Short-term refers to **current** quarter
(b) Intermediate-term refers to **next four** quarters (not including current quarter)
(c) Long-term refers to **beyond four** quarters

Adequacy rating

Select 1, 2 or 3 based on the following criteria:

1. **No improvement** required in adequacy of information
2. **Slight improvement** required in adequacy of information
3. **Major improvement** required in adequacy of information.

NOTES

Note 1: Adequacy

Please consider **adequacy** in terms of information available for your clients to make decisions. (Six such client groups are listed below along with examples of the kinds of decisions they must make in the short, intermediate and long-term).

Note 2: Specific Weaknesses

Please indicate the area(s) which you feel current outlook is inadequate. We have proposed three such areas. The first is the **accuracy** of forecasts. The second is that **assumptions and economic relationships** which are used to make a forecast are not available or made clear. The third is the **delivery mechanism** used to get outlook to clients. This would include such things as mode of communication, timeliness or access. Please specify any other weaknesses.

TYPES OF DECISIONS FOR EACH CLIENT BY TIME PERIOD

Client	Short-Term	Intermediate-Term	Long-Term
Producers	Timing of sales or pricing	Quantities of various commodities to produce and amount and price of cash inputs to use	Land purchases, major machinery and capital investments
Processors/ Input Suppliers	Pricing of products or inputs, inventory holdings, purchasing plans	Product mix, pricing and promotion policies	Capital investment, employment planning
Wholesalers and Retailers	Pricing, advertising decisions	Product mix and pricing policies	Capital investment, employment planning
Government (Policy)	Monitoring performance, on-going program decisions	Budget allocation, program modification	Policy and program development
Marketing Boards	Pricing decisions, quota allocations	Pricing decisions, quota allocations, promotional expenditures	Market development programs
Consumers	Purchasing decisions		

GRAINS AND OILSEEDS

SHORT-TERM FORECASTS (current quarter)	Circle Adequacy Rating (see definition and Note 1)	**Area(s) of Specific Weakness (see Note 2)** (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other (specify)	Other
Prices of Commodities	1 2 3					
Crop Production Outlook	1 2 3					
Expected Carryover	1 2 3					
CWB Delivery Quota	1 2 3					
Export Demands	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- Producers ☐
- Processors/Input Suppliers ☐
- Wholesalers/retailers ☐
- Government (Policy) ☐
- Marketing Boards ☐
- Consumers ☐

Comments:

GRAINS AND OILSEEDS

INTERMEDIATE-TERM FORECASTS (next 4 quarters)	Circle Adequacy Rating (see definition and Note 1)	**Area(s) of Specific Weakness (see Note 2)** (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other (specify)	Other (specify)
Prices of Commodities	1 2 3					
Crop Production Outlook	1 2 3					
Expected Carryover	1 2 3					
CWB Delivery Quota	1 2 3					
Export Demands	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- ☐ Producers
- ☐ Processors/Input Suppliers
- ☐ Wholesalers/retailers
- ☐ Government (Policy)
- ☐ Marketing Boards
- ☐ Consumers

Comments:

GRAINS AND OILSEEDS

LONG-TERM FORECASTS (beyond 4 quarters)	Circle Adequacy Rating (see definition and Note 1)	**Area(s) of Specific Weakness (see Note 2)** (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other	Other (specify)
Prices of Commodities	1 2 3					
Crop Production Outlook	1 2 3					
Expected Carryover	1 2 3					
Export Demands	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- Producers ☐
- Processors/Input Suppliers ☐
- Wholesalers/retailers ☐
- Government (Policy) ☐
- Marketing Boards ☐
- Consumers ☐

Comments:

RED MEATS

SHORT-TERM FORECASTS (current quarter)	Circle Adequacy Rating (see definition and Note 1)	**Area(s) of Specific Weakness (see Note 2)** (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other	Other (specify)
Prices of Commodities	1 2 3					
Production	1 2 3					
Inventories on Farms	1 2 3					
Domestic Consumption	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- Producers ☐
- Processors/Input Suppliers ☐
- Wholesalers/retailers ☐
- Government (Policy) ☐
- Marketing Boards ☐
- Consumers ☐

Comments:

RED MEATS

INTERMEDIATE-TERM FORECASTS (next 4 quarters)	Circle Adequacy Rating (see definition and Note 1)	Area(s) of Specific Weakness (see Note 2) (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other (specify)	Other (specify)
Prices of Commodities	1 2 3					
Production	1 2 3					
Inventories on Farms	1 2 3					
Domestic Consumption	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- ☐ Producers
- ☐ Processors/Input Suppliers
- ☐ Wholesalers/retailers
- ☐ Government (Policy)
- ☐ Marketing Boards
- ☐ Consumers

Comments:

RED MEATS

LONG-TERM FORECASTS (beyond 4 quarters)	Circle Adequacy Rating (see definition and Note 1)	Area(s) of Specific Weakness (see Note 2) (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other	Other (specify)
Prices of Commodities	1 2 3					
Production	1 2 3					
Inventories on Farms	1 2 3					
Domestic Consumption	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- Producers ☐
- Processors/Input Suppliers ☐
- Wholesalers/retailers ☐
- Government (Policy) ☐
- Marketing Boards ☐
- Consumers ☐

Comments:

DAIRY

SHORT-TERM FORECASTS (current quarter)	Circle Adequacy Rating (see definition and Note 1)	Area(s) of Specific Weakness (see Note 2) (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other	Other (specify)
Target Returns	1 2 3					
Industrial Quota	1 2 3					
Milk Shipments	1 2 3					
Domestic Demand	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- Producers ☐
- Processors/Input Suppliers ☐
- Wholesalers/retailers ☐
- Government (Policy) ☐
- Marketing Boards ☐
- Consumers ☐

Comments:

DAIRY

INTERMEDIATE-TERM FORECASTS (next 4 quarters)	Circle Adequacy Rating (see definition and Note 1)	**Area(s) of Specific Weakness (see Note 2)** (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other	Other (specify)
Target Returns	1 2 3					
Industrial Quota	1 2 3					
Milk Shipments	1 2 3					
Domestic Demand	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- ☐ Producers
- ☐ Processors/Input Suppliers
- ☐ Wholesalers/retailers
- ☐ Government (Policy)
- ☐ Marketing Boards
- ☐ Consumers

Comments:

DAIRY

LONG-TERM FORECASTS (beyond 4 quarters)	Circle Adequacy Rating (see definition and Note 1)	Area(s) of Specific Weakness (see Note 2) (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other	Other (specify)
Target Returns	1 2 3					
Industrial Quota	1 2 3					
Milk Shipments	1 2 3					
Domestic Demand	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below which user group(s) are most affected.

Check appropriate boxes

- ☐ Producers
- ☐ Processors/Input Suppliers
- ☐ Wholesalers/retailers
- ☐ Government (Policy)
- ☐ Marketing Boards
- ☐ Consumers

Comments:

POULTRY AND EGGS

SHORT-TERM FORECASTS (current quarter)	Circle Adequacy Rating (see definition and Note 1)	**Area(s) of Specific Weakness (see Note 2)** (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other	Other (specify)
Prices of Commodities	1 2 3					
Production	1 2 3					
Carryover Stocks	1 2 3					
Production Quotas	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- Producers ☐
- Processors/Input Suppliers ☐
- Wholesalers/retailers ☐
- Government (Policy) ☐
- Marketing Boards ☐
- Consumers ☐

Comments:

POULTRY AND EGGS

INTERMEDIATE-TERM FORECASTS (next 4 quarters)	Circle Adequacy Rating (see definition and Note 1)	Area(s) of Specific Weakness (see Note 2) (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other (specify)	Other (specify)
Prices of Commodities	1 2 3					
Production	1 2 3					
Carryover Stocks	1 2 3					
Production Quotas	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below which user group(s) are most affected.

Check appropriate boxes

- ☐ Producers
- ☐ Processors/Input Suppliers
- ☐ Wholesalers/retailers
- ☐ Government (Policy)
- ☐ Marketing Boards
- ☐ Consumers

Comments:

POULTRY AND EGGS

LONG-TERM FORECASTS (beyond 4 quarters)	Circle Adequacy Rating (see definition and Note 1)	Area(s) of Specific Weakness (see Note 2) (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other (specify)	Other (specify)
Prices of Commodities	1 2 3					
Production	1 2 3					
Carryover Stocks	1 2 3					
Production Quotas	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- Producers ☐
- Processors/Input Suppliers ☐
- Wholesalers/retailers ☐
- Government (Policy) ☐
- Marketing Boards ☐
- Consumers ☐

Comments:

HORTICULTURE AND SPECIAL CROPS

SHORT-TERM FORECASTS (current quarter)	Circle Adequacy Rating (see definition and Note 1)	**Area(s) of Specific Weakness (see Note 2)** (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other	Other (specify)
Prices of Commodities	1 2 3					
Crop Production Outlook	1 2 3					
Exports	1 2 3					
Storage Stocks	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- ☐ Producers
- ☐ Processors/Input Suppliers
- ☐ Wholesalers/retailers
- ☐ Government (Policy)
- ☐ Marketing Boards
- ☐ Consumers

Comments:

HORTICULTURE AND SPECIAL CROPS

INTERMEDIATE-TERM FORECASTS (next 4 quarters)	Circle Adequacy Rating (see definition and Note 1)	**Area(s) of Specific Weakness (see Note 2)** (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other (specify)	Other (specify)
Prices of Commodities	1 2 3					
Crop Production Outlook	1 2 3					
Exports	1 2 3					
Storage Stocks	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- ☐ Producers
- ☐ Processors/Input Suppliers
- ☐ Wholesalers/retailers
- ☐ Government (Policy)
- ☐ Marketing Boards
- ☐ Consumers

Comments:

HORTICULTURE AND SPECIAL CROPS

LONG-TERM FORECASTS (beyond 4 quarters)	Circle Adequacy Rating (see definition and Note 1)	**Area(s) of Specific Weakness (see Note 2)** (Check the appropriate column(s))				
		Accuracy	Assumptions	Delivery Mechanism	Other (specify)	Other (specify)
Prices of Commodities	1 2 3					
Crop Production Outlook	1 2 3					
Exports	1 2 3					
Storage Stocks	1 2 3					
Cash Receipts	1 2 3					
Other _____	1 2 3					
(Specify) _____	1 2 3					

If you feel that some or all of the foregoing are less than adequate, indicate below **which user group(s) are most affected.**

Check appropriate boxes

- ☐ Producers
- ☐ Processors/Input Suppliers
- ☐ Wholesalers/retailers
- ☐ Government (Policy)
- ☐ Marketing Boards
- ☐ Consumers

Comments:

PART C

Given your responses to Parts A and B of the questionnaire, we now want to determine whether you have plans to expand your outlook work and/or have suggestions for improving current outlook provided by the federal and provincial governments and universities.

1. Do you plan to increase your activity in commodity market outlook? Yes ☐ No ☐

   If **yes**, where do you plan to **place your emphasis**? (Please check)

Type of Outlook	Grains & Oilseeds	Red Meats	Dairy	Poultry and Eggs	Horti-culture	Other (specify)
Short-term	☐	☐	☐	☐	☐	☐
Intermediate-term	☐	☐	☐	☐	☐	☐
Long-term	☐	☐	☐	☐	☐	☐

2. Does your agency have any plans to **start or expand a computer database**? Yes ☐ No ☐

   If **yes**, please describe what is planned.

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3. If you have indicated in Question 1 that you do not plan to increase your activity in commodity market outlook, could you specify the reasons for this:

		Yes	No
(i)	Current outlook information is adequate for your clients	☐	☐
(ii)	Current staff resources are inadequate	☐	☐
(iii)	Unable to hire qualified analysts	☐	☐
(iv)	Costs of initiating an expanded program is too high	☐	☐
(v)	Costs of maintaining an expanded program is too high	☐	☐
(vi)	Other agencies can provide better outlook information	☐	☐
(vii)	Outlook has a low priority in this agency/firm	☐	☐
(viii)	Access to information for analysis is limited	☐	☐
(ix)	Other (Please specify)	☐	☐

4. Please provide any additional comments:

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